Complaint of

Democratic Senatorial Campaign Committee

MUR 3774

FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
COUNSEL

ANSWER OF RESPONDENT COALITIONS FOR AMERICA, INC. TO INTERROGATORIES AND REQUESTS FOR DOCUMENTS

- 1. Mr. Eric Licht, President, Coalitions for America, Inc. ("CFA"), at all times material, 717 Second Street N.E., Washington, D.C. 20002; and Mrs. Rosemary Swanson, Comptroller, CFA, at all times material, 717 Second Street N.E., Washington, D.C. 20002. Mr. Licht operates CFA and performs the usual duties of a corporate president. Mrs. Swanson is in charge of the books of CFA and performs the usual duties of a comptroller.
 - 2(a). See ¶2(b), supra.
- 2(b). CFA is a conservative unbrella organization which, inter alia, sponsors meetings of leaders in conservative thought and causes; sponsored limited-viewer television programs, Family Forum or Family Form Live and Empowerment Outreach or Empowerment Outreach

¹ Since discontinued.

Live; and makes monetary grants to conservative thought and action organizations.² In 4Q92 Mr. Curt Anderson was Coalitions Director, National Republican Senatorial Committee ("NRSC"). Mr. Anderson and Mr. Licht know one another. In the course of conversations over probably several years, Mr. Licht from time to time had asked Mr. Anderson if NRSC would donate to CFA inasmuch as CFA understood that NRSC had made various donations and CFA always could use further funds for CFA's grants to conservative entities. Mr. Anderson eventually expressed the opinion that he thought he could obtain donations from NRSC to CFA and in due course did so.

- 2(c). CFA does not maintain records of conversations. There were various conversations in 1992 and other years between Messrs. Licht and Anderson. Most of these had nothing to do with a possible donation. However, some did, in the sense that, as stated in ¶2(b), supra, Mr. Licht from time to time did ask Mr. Anderson if NRSC would donate to CFA. There is no means to pinpoint a particular date or conversation which related to these two 1992 donations. There is no document relating to any such conversation. Although it is debatable whether the actual checks and accompanying transmittal letters would be said to *relate* to the conversations, CFA attaches photocopies of the two checks and of the two letters of transmittal. *ATTACHMENTS ONE FOUR*.
- 2(d). CFA maintains four accounts (1) an operating account and (2) a payroll account, each at National Capital Bank, Washington, D.C.; (3) an operating account, in the Rushmore

² But not to political candidates or committees.

Fund for Government Investors - in 4Q92, through American Security Bank, Washington, D.C., now through Rushmore Savings and Trust FSB, Bethesda, Maryland; and (4) an *investment* account, with the Oppenheimer Funds, through Smith Barney Harris & Upham, Washington, D.C. All funds received, from whatever source, initially are deposited fungibly in the National Capital Bank operating account, if under \$500.00, in the Rushmore account if \$500.00 or more. When it appears financially propitious, CFA moves funds into the Oppenheimer account - e.g., CFA transferred \$50,000.00 to the Oppenheimer account on December 15, 1992, the only significant such transfer during 4Q92.

2(e). As noted, ¶2(d), supra, all receipts, including the two from NRSC, routinely are deposited in one or the other of the operating accounts, the choice of account depending solely upon the amount of the receipt. They thus become fungible with all other funds. Mr. Licht decides whether to make grants to other organizations to assist in promoting the 26 USC \$501(c)(4) purposes of CFA. Because all funds are fungible, no particular dollar was received from one source as a donation to CFA and transferred out by CFA as a grant to another entity. For example, CFA during 4Q92 met all its operating expenses and also made three grants. ATTACHMENT FIVE. No grant related to Georgia (or any other) election. These grants totaled \$45,000.00 in excess of the total donations from NRSC and CFA transferred an additional \$50,000.00 to one of its investment accounts, as noted in ¶2(d), supra, on December 15, 1992, further illustrating the fungibility of CFA funds. CFA does not participate, directly or indirectly, in election campaigns.

- 2(f). No. It is possible that Mr. Licht at some point in time may have mentioned to Mr. Anderson one or more of the foregoing three CFA grants, although Mr. Licht has no such recollection.
- There is no documentation except the two checks and the two transmittal letters,¶ 2(c), supra.
- 4. CFA during 4Q92 continued to produce its monthly television programs and, thus, during the period October 1 November 25, 1992 produced two each of such programs.³ Under separate cover, the video tapes are furnished herewith. ATTACHMENTS SIX (Empowerment Outreach) AND SEVEN (Family Forum). These programs were part of an ongoing series and were not substantially changed in format or type of content during 4Q92. Subsequent to 1992, the technical quality of the programs became more sophisticated; the format and type of content continued essentially the same after, as before and during, 4Q92. As the tapes clearly reveal, the programs were not related to the Georgia (or any other) election.
- 5. The persons with the most knowledge of the subject matter are Mr. Licht and, to the limited extent of funds processing, Mrs. Swanson, ¶1, supra.

October 20, 1992 - Pantity Forum.

November 10, 1992 - Empowerment Outreach.

November 12, 1992 - Family Forum.

The first half of each is CFA-sponsored.

October 13, 1992 - Empowerment Outreach.
October 20, 1992 - Family Forum.

Ein M. Lukt

Commonwealth of Virginia }

City of Falls Church

Subscribed and sworn to before me this 13th day of September, 1995.

Jacquelyn L. Harris

My commission expires Scanda 31, 1999.

MARION EDWYN HARRISON, ESQUIRE LAW OFFICES MARION EDWYN HARRISON

107 Park Washington Court Falls Church, Virginia 22046

Telephone: 703 532-0303 Facsimile: 703 532-0086

Counsel for Coalitions for America, Inc.

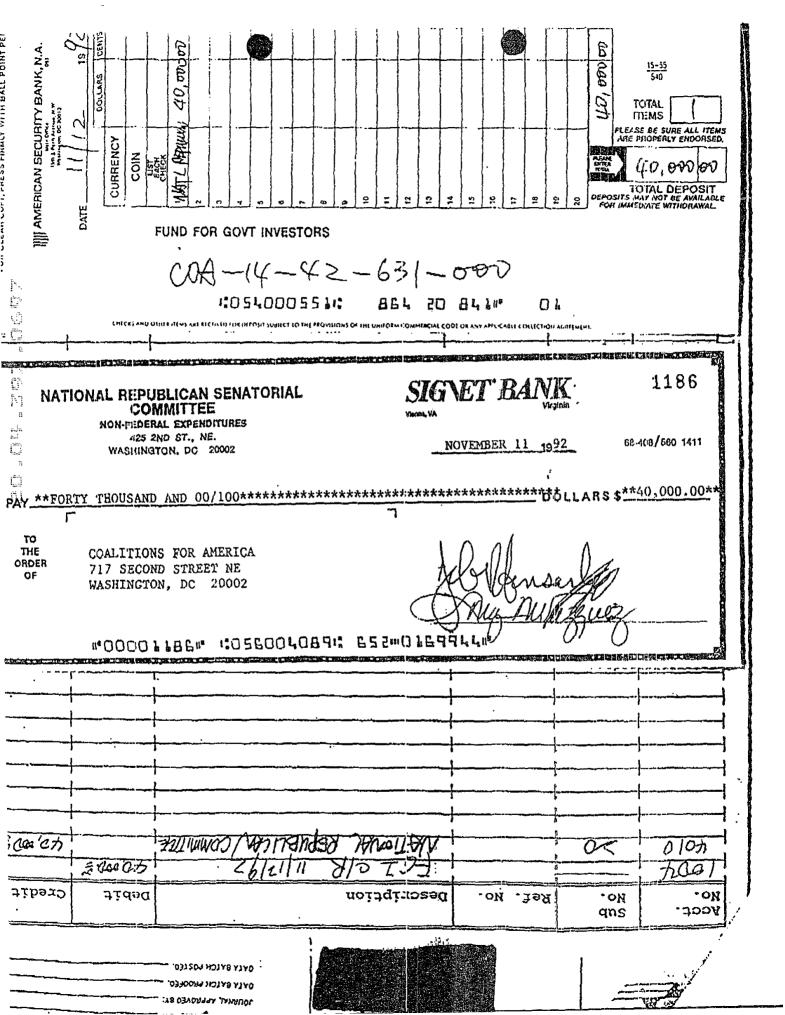
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ATTACHMENT ONE

1180 68-408/560 1411 50,000.00 AMOUNT SIGNET'BANK OCTOBER 20 1992 DETACH AND RETAIN THIS STATEMENT IN NOT CORRECT PLEASE NOTIFY US PROMPTLY, NO RECEIPT DESIRED. 11/24/10 11 G 1/4/4/11 DELUXE . FORM WVCP-2 V-2 DESCRIPTION "'00001180" "05500t089" 50,000.00 NATIONAL REPUBLICAN SENATORIAL COMMITTEE COALITIONS FOR AMERICA 717 2ND STREET NE WASHINGTON, DC 20002 NON-FEDERAL EXPENDITURES TRANSFER 02-7840 --425 2ND ST., NE. WASHINGTON, DG 20002 SENATORIAL COMMITTEE NON-FEDERAL EXPENDITURES NATIONAL REPUBLICAN 10/20/92 DATE THE OROER OF

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ATTACHMENT TWO



ATTACHMENT THREE

National Republican Senatorial Committee

SENATOR PHIL GRAMM
CHAIRMAN

JEB HENSARLING EXECUTIVE DIRECTOR

October 20, 1992

Mr. Eric Licht Coalitions for America 717 2nd Street, N.E. Washington, D.C. 20002

Dear Eric,

I am happy to send you a \$50,000 contribution from the National Republican Senatorial Committee for your Good Government Activities to be used in a manner consistent with your charter. Please note that utilizing any of this money in any way to influence a federal election is strictly prohibited.

Once again, we are happy to provide this support, and we wish you luck in all your endeavors.

Sincerely,

Paul Curcio

Director of Political Services

ATTACHMENT FOUR

National Republican Senatorial Committee

SENATOR PHIL GRAMM CHAIRMAN

JEB HENSARLING EXECUTIVE DIRECTOR

November 11, 1992

Mr. Eric Licht Coalitions for America 717 2nd Street, NE Washington, D.C. 20002

Dear Eric,

I am happy to send you a \$40,000 contribution from the National Republican Senatorial Committee for your Good Government Activities to be used in a manner consistent with your charter. Please note that utilizing any of this money in any way to influence a federal election is strictly prohibited.

Once again, we are happy to provide this support, and we wish you luck in all your endeavors.

Sincerely,

Paul Curcio

Director of Political Services

Democratic Senatorial Campaign Committee

MUR 3774

GRANTS BY COALITIONS FOR AMERICA, INC. 4Q92

NAME OF GRANTEE	DATE	AMOUNT
LEAGUE OF CATHOLIC VOTERS	NOV 25 92	\$75,000.00
NATIONAL RIGHT TO WORK COMMITTEE	NOV 25 92	\$25,000.00
NATIONAL RIGHT TO WORK COMMITTEE	NOV 27 92	\$35,000.00

ATTACHMENT FIVE

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